

## Message Text

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PAGE 01 PARIS 01405 171227Z

72

ACTION EB-11

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FM AMEMBASSY PARIS

TO SECSTATE WASHDC 6130

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E.O. 11652: N/A

TAGS: ETRD

SUBJECT: EFFECTIVENESS IN OVERSEAS COMMERCIAL FUNCTION

REF: STATE 239800

SUMMARY: THE EMBASSY WELCOMES THE SECRETARYS AFFIRMATION OF HIS TOTAL PERSONAL SUPPORT FOR THE OVERSEAS COMMERCIAL ROLE OF THE FOREIGN SERVICE. WHILE REAL PROGRESS HAS BEEN MADE IN THIS AREA IN THE PAST TWO YEARS, WE AGREE THAT MUCH MORE MUST BE DONE TO INCREASE THE COMMERCIAL EXPERTISE OF THE DEPARTMENT AND FOREIGN SERVICE. PARIS, AS PREVIOUSLY REPORTED, HAS UNDERTAKEN A NIMBER OF STEPS TO STRENGTHEN COMMERCIAL WORK AND WILL CONTINUE THIS EFFORT. HOWEVER, THE LIMITS ON EMBASSY INITIATIVE ARE NARROW. FOR EXAMPLE, WHILE WE ARE SEEKING FURTHER POSSIBILITIES FOR INTERNAL REALLOCATION OF RESOURCES TO COMMERCIAL WORK, ANY SUBSTANTIAL PROGRESS IN THIS AREA REQUIRES A MORE AUTHORITATIVE WEIGHING OF OBJECTIVES ANDPRIORITIES IN HOST COUNTRIES AGAINST OVERALL U.S. INTERESTS THAN IS POSSIBLE WITH EXISTING MANAGEMENT TOOLS. EMBASSY RECOMMENEDS PROORITY BE GIVEN IMPROVEMENT OF PARA SYSTEM. BY SAME TOKEN, EFFORTS AT INTERGRATION OF ECONOMIC AND COMMERCIAL POSITIONS ARE UNREALISTIC WITHOUT THE FULL BACKING OF VARIOUS WASHINGTON AGENCIES HAVING FOREIGN ECONOMIC RESPONSIBILITIES AND REPRESENTATION. END SUMMARY.

1. THE EMBASSY WELCOMES THE SECRETARYS AFFIRMATION OF HIS  
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PAGE 02 PARIS 01405 171227Z

TOTAL PERSONAL SUPPORT FOR THE OVERSEAS COMMERCIAL ROLE OF THE

FOREIGN SERVICE, WHILE REAL PROGRESS HAS BEEN MADE IN THIS AREA IN THE PAST TWO YEARS, WE AGREE THAT MUCH MORE MUST BE DONE TO INCREASE THE COMMERCIAL EXPERTISE OF THE DEPARTMENT AND THE FOREIGN SERVICE.

2. OUR VIEWS ON WAYS TO STRENGTHEN OUR COMMERCIAL OPERATIONS WERE STATED IN SOME DETAIL IN PARIS 5369 OF MARCH 21, 1972, AND PARIS 21641. WHERE ACTION ON THESE RECOMMENDATIONS LAY WITHIN OUR OWN POWER, WE HAVE ACTED. OUR ACTIONS HAVE BEEN CONCENTRATED IN THREE MAIN AREAS; (A) INVOLVING THE ENTIRE EMBASSY IN COMMERCIAL WORK TO THE EXTENT FEASIBLE. (B) REALLOCATING RESOURCES TO THE COMMERCIAL PROGRAM, AND (C) STRENGTHENING THE ROLE OF COMMERCIAL OFFICERS.

3. IN THE FIRST AREA, WE HAVE ESTABLISHED AN EMBASSY TRADE PROMOTION COMMITTEE WITH REPRESENTATION FROM ALL THE MAJOR SECTIONS OF THE EMBASSY. THE PERIODIC MEETINGS OF THIS COMMITTEE HAVE GREATLY INCREASED THE AWARENESS OF THE IMPORTANCE OF COMMERCIAL WORK ON THE PART OF THE OTHER SECTIONS AND OF THE OPPORTUNITIES WHICH EXIST FOR A CONTRIBUTION BY THEM. THE COMMITTEE HAS BEEN PARTICULARLY VALUABLE AS AN AGENCY FOR COORDINATING INTELLIGENCE ON MAJOR PROJECTS. WE HAVE ALSO STRENGTHENED OUR PROGRAM FOR SUPPORTING THE COMMERCIAL WORK OF THE CONSULATES.

4. IN THE SECOND AREA, WE HAVE CREATED THE NUCLEUS OF AN ADDITIONAL INDUSTRY UNIT IN THE COMMERCIAL OFFICE BY TRANSFERRING TO THAT OFFICE AN FSO FROM ELSEWHERE IN THE ECONOMIC SECTION AND WE ARE INVESTIGATING THE POSSIBILITY OF REASSIGNING TWO FRENCH NATIONALS IN ORDER TO FILL OUT THIS UNIT.

5. IN THE THIRD AREA WE ARE EXPERIMENTING WITH THE TECHNIQUE OF SETTING UP TEMPORARY AD HOC TASK FORCES COMPRISED OF ECONOMIC AND COMMERCIAL OFFICERS TO DEAL WITH SPECIFIC PROBLEMS. ONE OF THE MAIN PURPOSES OF THIS EXPERIMENT IS TO ENHANCE THE ROLE OF COMMERCIAL OFFICERS BY INVOLVING THEM MORE EXTENSIVELY IN SUBSTANTIVE WORK. OUR EXPERIENCE WITH A TASK FORCE SET-UP TO EXAMINE THE EFFECTS OF THE ENERGY CRISIS ON THE FRENCH ECONOMY HAS BEEN PARTICULARLY ENCOURAGING.

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PAGE 03 PARIS 01405 171227Z

6. WE SHALL CONTINUE TO SEEK OPPORTUNITIES WITHIN THE LIMITS OF OUR OWN RESOURCES TO STRENGTHEN OUR COMMERCIAL PROGRAM. BUT WE BELIEVE THE DEPARTMENT SHOULD BE AWARE THAT IN THE SECOND AND THIRD AREAS THESE LIMITS ARE EXTREMELY NARROW. IN THE SECOND AREA, WE BELIEVE, AS WE STATED IN PARIS 5369, THAT A CASE CAN BE MADE FOR INCREASING THE PERSONNEL RESOURCES ASSIGNED TO COMMERCIAL WORK. BUT WE RECOGNIZE THAT THE PROSPECTS FOR OBTAINING ADDITIONAL POSITIONS

ARE MEAGRE AND THAT THE ONLY SURE WAY TO INCREASE COMMERCIAL STAFF IS BY REALLOCATING RESOURCES INTERNALLY. AS WE NOTED ABOVE, WE HAVE ALREADY TAKEN CERTAIN STEPS IN THIS DIRECTION AND WE PLAN FURTHER STEPS. WE ARE ESTABLISHING AN EMBASSY TASK FORCE TO LOOK INTO THE POSSIBILITIES FOR TRANSFERRING POSITIONS FROM OTHER MISSION ACTIVITIES WHICH WE BELIEVE ENJOY A LOWER PRIORITY THAN EXPORT PROMOTION. BUT IT SHOULD BE RECOGNIZED THAT IT IS EXTREMELY DIFFICULT FOR AN EMBASSY TO TRANSFER POSITIONS FROM, SAY, THE POLITICAL OR THE ADMINISTRATIVE SECTIONS TO THE COMMERCIAL SECTION WITHOUT A MUCH MORE AUTHORITATIVE ASSESSMENT THAN IS NOW AVAILABLE OF U.S. OBJECTIVES AND PRIORITIES IN THE HOST COUNTRY AS WEIGHED AGAINST THE OVERALL VIEW OF US INTERESTS. WE BELIEVE THAT THE DEPARTMENT MUST DEVELOP A MUCH MORE EFFECTIVE INSTRUMENT THAN IT NOW POSSESSES FOR DETERMINING THESE OBJECTIVES AND PRIORITIES. A START HAS BEEN MADE IN THE EUROPEAN BUREAU WITH THE PARA SYSTEM, BUT IN THEIR PRESENT FORM THE PARA PAPERS COVER ONLY PA (POLICY ANALYSIS) BUT NOT RA (RESOURCE ALLOCATION). THEY ARE THUS INCAPABLE OF PROVIDING GUIDANCE AND AUTHORITY WHICH WOULD PERMIT A RATIONAL REALLOCATION OF RESOURCES WITHIN AN EMBASSY ON ANY BUT THE SMALLEST SCALE. WE BELIEVE THE DEPARTMENT SHOULD ASSIGN A HIGH PRIORITY TO THE PERFECTION OF THIS SYSTEM.

7. THERE ARE SIMILAR LIMITATIONS ON THE ABILITY OF AN EMBASSY TO INCREASE THE INTEGRATION OF ECONOMIC AND COMMERCIAL WORK. OUR VIEWS ON THIS SUBJECT WILL BE STATED MORE FULLY IN OUR REPLY TO THE DEPARTMENT'S A-10322. FOR THE PRESENT, SUFFICE IT TO SAY THAT, WITHOUT THE FULL BACKING OF THE VARIOUS WASHINGTON AGENCIES WITH FOREIGN ECONOMIC RESPONSIBILITIES AND REPRESENTATION, IT IS SIMPLY UNREALISTIC TO TALK ABOUT THE INTEGRATION OF ANY POSITIONS EXCEPT THOSE OCCUPIED BY FSOS.

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PAGE 04 PARIS 01405 171227Z

8. A RECOMMENDATION MADE IN EARLIER MESSAGES WHICH WE SHOULD LIKE TO REPEAT IS THE ONE CONCERNING THE STRENGTHENING OF THE COMMERCE DISTRICT OFFICES. WITHOUT EFFECTIVE FOLLOW-UP OF TRADE OPPORTUNITIES BY THESE OFFICES, MUCH OF THE FIELD'S WORK WILL BE IN VAIN. A START HAS BEEN MADE IN THIS DIRECTION, BUT WE DO NOT BELIEVE IT IS ENOUGH.

DECONTROL DECEMBER 31, 1977. STONE

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